

Message Text

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13

ACTION STR-08

INFO OCT-01 EUR-25 IO-14 ISO-00 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 EB-11 FRB-02 H-03 INR-10 INT-08 L-03

LAB-06 NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02

SS-20 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 FEA-02

OMB-01 SAM-01 DRC-01 /196 W
----- 027784

R 312310Z JAN 74

FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 2635
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE
USEC BRUSSELS
USMISSION GENEVA

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E.O. 11652: N/A

TAGS: ETRD, CA, EC, US

SUBJECT: GATT ARTICLE XXIV:6 NEGOTIATIONS WITH EC-- CANADIAN
POSITION

REF: OTTAWA 0245 (NOTAL)

1. FOLLOWING IS TEXT OF LETTER DATED JAN 28
WHICH MINISTER OF INDUSTRY, TRADE AND COMMERCE
GILLESPIE HAS SENT TO SOAMES OF EC AND WITH MINOR
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CHANGES TO MINISTERS RESPONSIBLE FOR TRADE IN NINE EC

MEMBER STATES:

BEGIN TEXT

CANADIAN MINISTERS HAVE EXAMINED THE SUPPLEMENTARY LIST OF TRADE CONCESSIONS RECENTLY OFFERED BY THE EUROPEAN COMMUNITIES IN THE GATT NEGOTIATIONS ARISING OUT OF EC ENLARGEMENT. CANADIAN AND COMMUNITY NEGOTIATING TEAMS WILL BE MEETING AGAIN IN GENEVA DURING FEBRUARY. I THOUGHT IT MIGHT BE USEFUL TO LET YOU KNOW THE VIEWS OF CANADIAN MINISTERS IN ADVANCE OF THE GENEVA MEETINGS.

CANADA ATTACHES IMPORTANCE TO THE EARLY CONCLUSION OF A SETTLEMENT WHICH WILL RESTORE THE OVERALL BALANCE OF TRADE CONCESSIONS PREVIOUSLY NEGOTIATED IN THE GATT, AND I KNOW THAT THIS IS ALSO THE COMMUNITY'S OBJECTIVE. SUCH A SETTLEMENT WOULD MITIGATE A NUMBER OF THE ADVERSE TRADE IMPLICATIONS FOR CANADA ARISING OUT OF EC ENLARGEMENT. IT WOULD BE A POSITIVE DEVELOPMENT IN CANADIAN RELATIONS WITH THE ENLARGED EC GENERALLY AND, EQUALLY IMPORTANT, WOULD PROVIDE A SOUND BASIS FOR MOVING FORWARD INTO THE SUBSTANTIVE PHASES OF THE TOKYO ROUND.

THE SUPPLEMENTARY OFFER OF THE COMMUNITY IS AN IMPORTANT STEP TOWARDS THE SETTLEMENT BOTH CANADA AND THE COMMUNITY ARE SEEKING. IT CONTAINS A NUMBER OF TRADE CONCESSIONS OF INTEREST AND VALUE TO CANADA IN BOTH THE INDUSTRIAL AND AGRICULTURAL SECTORS. SOME OF THE SUGGESTIONS PUT FORWARD BY THE CANADIAN NEGOTIATORS HAVE CLEARLY BEEN TAKEN INTO ACCOUNT.

I AND MY COLLEAGUES ARE, HOWEVER, CONCERNED ABOUT THE ABSENCE OF ANY ACCOMMODATION ON CEREALS FROM THE LIST OF PROPOSED CONCESSIONS. TRADE IN WHEAT AND BARLEY IS OF GREAT IMPORTANCE TO CANADA. MOREOVER, CANADA'S GATT RIGHTS ON THESE PRODUCTS REPRESENT A MAJOR PART OF THE OVERALL CANADIAN CLAIM AND THE LIST OF SUGGESTED IMPROVEMENTS IN THE COMMUNITY OFFER PUT LIMITED OFFICIAL USE

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FORWARD BY CANADA IN THE NEGOTIATIONS. IT WOULD, THEREFORE, BE MOST DIFFICULT FOR CANADA TO CONTEMPLATE A SETTLEMENT WHICH DOES NOT INCLUDE ACCEPTABLE ACCOMMODATION FOR OUR IMPORTANT TRADE INTERESTS IN THE ENLARGED COMMUNITY IN THESE PRODUCTS.

YOU WILL RECALL THAT CANADA EXPRESSED CONCERN ABOUT THE COMMUNITY POSITION ON CEREALS IN A NOTE TO

THE COMMISSION ON SEPT 5 LAST YEAR. IT INDICATED THAT CANADA WOULD BE PREPARED TO CONTEMPLATE AN INTERIM ARRANGEMENT ON WHEAT AND BARLEY WHICH WOULD PRESERVE OUR GATT RIGHTS AND PROVIDE ASSURANCES ABOUT THE SHARE OF COMMUNITY CONSUMPTION FILLED BY OUTSIDE SUPPLIERS.

DURING THE GATT MINISTERIAL MEETING IN TOKYO LAST SEPT I HAD AN OPPORTUNITY TO DISCUSS THIS PROBLEM WITH YOU AND MR. IVAR NORGAARD. I CAN, THEREFORE, WELL APPRECIATE THAT TRADE IN CEREALS IS ALSO A SENSITIVE ISSUE IN THE COMMUNITY. AT THE SAME TIME, HOWEVER, WE SHARE A COMMON DESIRE TO BRING THESE NEGOTIATIONS TO A SUCCESSFUL CONCLUSION. I WOULD HOPE THAT WITH SOME FLEXIBILITY ON BOTH SIDES IT WOULD BE POSSIBLE TO FORMULATE AN ACCOMMODATION WHICH WOULD MEET THE ESSENTIAL NEEDS OF BOTH CANADA AND THE COMMUNITY.

I AM ALSO WRITING TO MINISTERS RESPONSIBLE FOR TRADE IN EC MEMBER STATES. THE PROBLEM WILL UNDOUBTEDLY BE THE SUBJECT OF FURTHER DISCUSSIONS BETWEEN YOU AND YOUR COMMUNITY COLLEAGUES. I DO HOPE THAT YOU WILL APPROACH THE ISSUE WITH A POSITIVE VIEW AND THAT A WAY WILL BE FOUND TO MOVE THE NEGOTIATIONS FORWARD TO A SUCCESSFUL CONCLUSION.

END OF TEXT

2. AS REPORTED REFTEL GOC INTENDS TO DISCUSS ARTICLE XXIV:6 ISSUES WITH EC REPS IN GENEVA
FEB 11.
JOHNSON

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: golinofr
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30 JUN 2005

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